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Letter dated 7 November 2000 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General

On instructions from my Government, I have the honour to transmit to you herewith a letter dated 7 November 2000 from Mr. Tariq Aziz, Deputy Prime Minister and Acting Minister for Foreign Affairs of Iraq. The letter concerns the failure of the oil-for-food programme to mitigate the adverse impact of the unjust sanctions imposed on Iraq, the accumulation in the Iraq Account of funds derived from the sale of Iraqi oil and designated for contracts for humanitarian items, the mounting number of contracts that have been placed on hold by the United States and the United Kingdom, and the questions this situation raises concerning the usefulness of continuing to pump oil only to accumulate more funds in the programme.

I should be grateful if you would have the present letter and its annex circulated as a document of the Security Council.

(*Signed*) Saeed H. **Hasan**
Ambassador
Permanent Representative

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Annex to the letter dated 7 November 2000 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General

In concluding the memorandum of understanding of 20 May 1996 between the Government of Iraq and the Secretariat of the United Nations (S/1996/356), the basic objective was that Iraq should export certain quantities of oil and use the resulting revenues for "the purchase of medicine, health supplies, foodstuffs, and materials and supplies for essential civilian needs of the Iraqi population throughout the country" (sect. V, para. 19). The memorandum of understanding, also known as the oil-for-food programme, having now been in effect for four years, we should like to place before you, before the members of the Security Council and before international public opinion the basic facts set forth below.

1. As of 2 November 2000, the accumulated funds held in a state of suspension and as good as blocked and idle at BNP Paribas totalled 11.372 billion dollars. As stated, these funds are idle and frozen, and the people of Iraq derives no benefit from them.

2. There are 1,328 contracts on hold for a total value of some 2.28 billion dollars.

3. There are 541 contracts worth some 1.24 billion dollars that have been submitted to the Secretariat but have yet to be circulated to the members of the Security Council Committee established by resolution 661 (1990).

The Americans and the British claim, of course, that the oil-for-food programme reduces the adverse impact of the unjust sanctions imposed on Iraq. This claim is quickly demolished, however, when the figures indicated above are considered and brought to the attention of world public opinion.

The failure to use the funds derived from exports of oil for the purchase of food, medicine and humanitarian supplies for the Iraqi people prompts that people to raise a major question. One has to wonder to what extent it is necessary to export oil when such funds are being amassed in foreign banks and contracts are piling up in the Secretariat and in the Committee owing to the continued practice of the United States and the United Kingdom of placing holds on new contracts on flimsy grounds and for political purposes and objectives that are completely alien to the spirit of the memorandum of understanding.

Our people is also wondering, and rightly so, how long the funds in question will remain stowed away in these banks, how long the policy of placing contracts on hold will continue (given that the Committee is placing holds on new contracts in addition to the contracts already on hold), and how long the serial suspensions and deferrals of contracts will continue. One has to wonder what use it is and what need there is to pump oil in a situation such as this.

(*Signed*) Tariq **Aziz**
Deputy Prime Minister
Acting Minister for Foreign Affairs